



DEPARTMENT OF DEFENSE



Defense Civilian Personnel Advisory Service

# Federal Employees Retirement System (FERS) Offset – An Overview for Agency Personnel

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Injury Compensation Program Manager

July 2019



# Bottom Line Up Front

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- Provide information regarding how receipt of Social Security benefits for FERS employees (in certain situations based upon age) in receipt of Workers' Compensation wage-loss benefits constitutes 'dual benefits' contrary to 5 USC 8116.
- While providing the case work regarding potential FERS Offset cases is assigned to the Injury Compensation Management Advisors (DCPAS MA) - formerly known as Liaisons, understanding how this process works is an important aspect that will allow the Injury Compensation Program Administrator (ICPA)/Injury Compensation Specialist (ICS) to be better prepared to perform their job in a more efficient manner.
- Successful completion of a FERS Offset situation will result in a dollar-savings for DoD agencies when such offsets are finally put into place.

# Agenda

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- FERS Retirement Program and Social Security Administration (SSA) benefits
- How to recognize potential FERS/SSA dual benefits in a claim
- Understanding the Offset of SSA benefits “attributable to Federal Service”
- How the ICPA can follow the progress of a FERS Offset case
- Requests to and actions by the Department of Labor (DOL)
- How to tell if the DOL has a FERS Offset is in place
- Sample letters/forms from DOL

# FERS Retirement Program and Social Security

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- FERS was a mandatory replacement of the Civil Service Retirement System (CSRS) in 1987. CSRS employees at the time had the option to switch. The FERS benefit package consists of three basic components:
  - FERS basic benefits paid by the Office of Personnel Management (OPM),
  - The Thrift Savings Plan (TSP), and
  - Social Security (SSA)
- Claimants can elect between Federal Employees' Compensation Act (FECA) benefits and the FERS basic benefits from OPM in the same manner as they elect between FECA benefits and CSRS benefits. However, there is no law preventing the receipt of TSP and FECA benefits at the same time.

# FERS Retirement Program and Social Security

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- It is the Social Security Administration (SSA) program which requires the most significant oversight and interaction by the Office of Workers' Compensation Programs (OWCP) in how it deals with retirement benefits.
- FECA benefits have to be adjusted for the FERS portion of SSA benefits.
- The portion of the SSA benefit earned as a Federal employee is part of the FERS retirement package, and the receipt of FECA benefits concurrently with SSA benefits attributable to Federal service is a prohibited dual benefit.

# FERS Retirement Program and Social Security

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- 5 USC 8116(d)(2) requires that disability and death benefits paid under the FECA be reduced by the amount of any Social Security (Title II) old age or death benefits paid, that are attributable to the Federal service of the employee.

# How to recognize potential FERS/SSA dual benefits in a claim?

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- In disability cases, the possibility of FERS SSA dual benefits exists where:
  - The claimant is at least 62 years old, and
  - The claimant had FERS retirement coverage during any of his or her Federal employment, and
  - The claimant is paid benefits based on age by SSA.
- Claimants between age 62 (or younger) and full retirement age may be eligible for both SSA disability and SSA retirement benefits, based upon age. If they elect disability, there is no FERS Offset applicable. At full retirement age, SSA disability benefits automatically convert to SSA old age retirement benefits, and are therefore subject to the FERS Offset.

# How to recognize potential FERS/SSA dual benefit in a claim

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- All SSA retirees at full retirement age or older, who are covered by FERS, are subject to the FERS Offset.
- In death cases, the potential for FERS SSA dual benefits exists where:
  - The deceased employee had FERS retirement coverage during any of his/her Federal employment, and
  - There are dependent children, or
  - There is a spouse who either:
    1. has in his/her care a child under the age of 16,
    2. is 50 years old and disabled, or
    3. is 60 years old.



# Understanding the Offset of SSA benefits “attributable to Federal Service”

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- Only that portion of SSA benefit “based on Federal Service” is deducted from the FECA.
- Where the claimant has received SSA benefits, OWCP will obtain information from SSA on the amount of the claimant’s SSA benefits beginning with the date of eligibility to FECA benefits. SSA will provide the actual amount of SSA benefits received by the claimant/beneficiaries. SSA will also provide a hypothetical SSA benefit computed without the FERS covered earnings, OWCP will then deduct the hypothetical benefit from the actual benefit to determine the amount of benefits which are “attributable to Federal Service.” That amount is deducted from the FECA benefit to obtain the amount of compensation payable.

# How can the ICPA follow the progress of a FERS Offset case

UNCLASSIFIED

https://cacdiucs3.cpmis.osd.mil/dod-diucs-prd/home.do

The highest possible classification for this system is Sensitive But Unclassified (SBU) // For Official Use Only (FOUO)

(Eastern Daylight Time)

DCPAS DIUCS v2.10.0 -

Change Role Sign Out Help

HOME TRACKING INBOX SEARCH REPORTING

Home » ACCOUNT MODIFICATION REQUEST

System » Prev » COP HOURS » COP PAY PERIOD ADJUSTMENTS » **INJURY CLAIM** » PERSONNEL » USER ACCOUNT » USER REQUEST

DIUCS data (status updated 2/28/2019): current through 2Q2019

Account Enabled First Name Last Name Position Title Commerical Phone Email System Roles Component Wide Access

MY REPORTS

- Liaison - ICUCHQ Pharmacy Report
- Medical Bill Payment Listing Report
- Quarterly ChargeBack Listing Report
- Quarterly Chargeback Listing Report 2018

System Inboxes

Inbox Group Selection: Claim Inboxes

Inbox Selection: IC Claim Inbox (49804)

Search Claims

Claim No.	SSN	DOI	Last Name	First Name	Middle Name	DOL Chargeback Code	DOL CPO	Action
Showing 1 to 20 of 49,804 entries								
Previous 1 2 3 4 5 ... 2491 Next								

My Tools

My Reports

https://cacdiucs3.cpmis.osd.mil/dod-diucs-prd/tracking.dashBoard.do

# How can the ICPA follow the progress of a FERS Offset case

UNCLASSIFIED

https://cacdiucs3.cpmis.osd.mil/dod-diucs-prd/workflow.do?dataObjectKey=object.claim&trackingId=56297895

HOME TRACKING INBOX SEARCH REPORTING

Tracking Inbox > Injury Claim Assignment: No Assignment

**Injury Claim**

Pipeline Reemployment Program

Agency Case Management

Pipeline Claimant

COP

Case Notes

Case Files

Compensation

Liaison Savings

Light Duty

Medical

Return to Work

Tickler

Personnel

Claim Number	SSN	DOI
Last Name	First Name	Middle Name
DOL Chargeback Code & Description	Servicing DOL CPO & Description	Original DOL CPO & Description
Current UIC	DOI UIC	DOL Case Status
		Payment on Periodic Roll

**GENERAL CLAIM INFORMATION**

Fiscal Year

Quarter End

Accepted Condition

Accepted Condition Flag

DOB

Age

Sex

Phone

Street

City

State

Zip

Supervisor

Supervisor Phone

Org Field 1

Org Field 2

Org Field 3

Agency Special Code 1

FERS Offset

High Interest

Claim Type

Last Update

DOL Case Create

Adjudicated Code

Adjudicated Date

Case Status Code

Case Status Date

DOL Close

DOL Reopen

Fatal Flag

Date of Death

Pay District (PD)

Injury District (ID)

COP Election

Foreign Country

DOD Special Indicator ☐ Yes ☐ No

**FERS OFFSET IN PLCE**

Printer Friendly Format

**INJURY INFORMATION**

Under the tab that states “General Claim Information,” go to the field entitled “FERS Offset.”

## How can the ICPA follow the progress of a FERS Offset case

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- In the FERS Offset field, the assigned Management Advisor should have entered “UD FERS” (UD =Under Development) and the effective date, or “FERS Offset in Place” and the effective date, after the claimant has reached age 62. More information regarding this process will be found in the Case Notes.
- If you are certain that the claimant (a) worked under FERS, and (b) is at least 62 years of age, but you find no indication that the aforementioned actions have taken place, please bring this matter to the Management Advisor’s attention.

## How the ICPA can follow the progress of a FERS Offset case

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- Often, claimants between the ages of 62 and 66 who are receiving SSA benefits are receiving Disability Benefits from Social Security. Please remember: SOCIAL SECURITY DISABILITY BENEFITS CANNOT BE OFFSET – ONLY OLD AGE RETIREMENT! AND ONLY FOR FERS EMPLOYEES!
- SSA Disability benefits will convert automatically over to Old Age Retirement benefits once the claimant reaches full retirement age with Social Security. Please see the chart on the SSA web site:
- <https://www.ssa.gov/planners/retire/retirechart.html>

# How the ICPA can follow the progress of a FERS Offset case

## SSA Retirement Age Chart

UNCLASSIFIED

https://www.ssa.gov/planners/retire/retirechart.html Social Security Administration [US]

**Age To Receive Full Social Security Benefits**  
(Called "full retirement age" or "normal retirement age.")

Year of Birth *	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943 - 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

\*If you were born on January 1st of any year you should refer to the previous year. (If you were born on the 1st of the month, we figure your benefit (and your full retirement age) as if your birthday was in the previous month.)

## Request to DOL for FERS OFFSET case review

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- After we verify that a case is under the FERS retirement system and verify no offset is in place, we will notify DOL by placing a memo in DOL case file for FERS Offset review.
- Memo will state:

"Claimant is a FERS employee and has reached minimum retirement age (or he/she was receiving Security benefits that have changed from "disability" to old age retirement) and any Social Security Benefits that he/she is now receiving is considered retirement benefits by the Social Security Administration (SSA). Since this claimant is a FERS employee, his/her compensation payments must now be offset by any part of his/her SSA benefit that was calculated by using Federal employment earnings. Please send a SSA FERS Questionnaire to SSA to inquire as to what the Offset should be, if any."

## Action by DOL after receipt of our request

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- DOL will send a fax transmittal Questionnaire to Social Security Administration (SSA) to verify if the claimant is receiving FERS dual benefits based on Federal government employment.
- If SSA responds and says "No", then we code accordingly in our DIUCS system and monitor until claimant reaches maximum retirement age.
- If SSA responds "Yes", then DOL will review and make the offset deduction from future compensation payments and determine if any overpayment exists (If overpayment exists based upon FERS then DOL should send out a preliminary overpayment decision letter to the claimant advising him/her of this overpayment and giving them 30 days to respond). When DOL starts deducting FERS from Compensation payments they should notify the claimant and agency in writing explaining the same.
- Once we verify an offset is being deducted, we will make notation in our DIUCS system stating "FERS Offset in Place" with the effective date.



## How to tell if DOL has a FERS Offset is in place?

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- Go into DIUCS. Enter the case file number and pull up the case. Place your mouse over “Tracking Inbox”. Click on “Compensation” payments.
- The Compensation Payment screen in DIUCS will show itemized deductions for FERS Offsets. These deductions will be itemized as Relationship Code “FERS Offset”.

# DIUCS Compensation Screen Showing FERS Offset

UNCLASSIFIED

The highest possible classification for this system is Sensitive But Unclassified (SBU) // For Official Use Only (FOUO)

Change Role Sign Out Help DCPAS DIUCS v2.10.0 -

HOME TRACKING INBOX SEARCH REPORTING

Tracking Inbox Injury Claim Compensation Listing Assignment: No Assignment

Injury Claim

Agency Case Management

Pipeline Claimant

Case Notes

Case Files

**Compensation**

Liaison Savings

Light Duty


Medical

Return to Work

Tickler

Personnel

Assignments



Claim Number	SSN	DOI
Last Name	First Name	Middle Name
DOL Chargeback Code & Description	Servicing DOL CPO & Description	Original DOL CPO & Description
Current UIC	DOI UIC	DOL Case Status
		Periodic Roll with No Re-employment Potential

**Compensation Listing**

Show 10 entries Search:

	From Date	To Date	Roll	Payee	Payment	Credit	Check Date	Pay	Check Number	Cancel
<input type="checkbox"/>	1/6/2019	2/2/2019	Periodic Roll		\$1,237.69	N/A	2/2/2019	1	00000000	N/A
<input checked="" type="checkbox"/>	1/6/2019	2/2/2019	Periodic Roll	DEPARTMENT OF LABOR - DISTRICT	\$986.31	N/A	2/2/2019	1	00000000	N/A
<input type="checkbox"/>	1/6/2019	2/2/2019	Periodic Roll	DEPARTMENT OF LABOR OWCP	\$300.00	N/A	2/2/2019	1	00000000	N/A
<input type="checkbox"/>	12/9/2018	1/5/2019	Periodic Roll		\$1,564.55	N/A	1/5/2019	1	00000000	N/A
<input type="checkbox"/>	12/9/2018	1/5/2019	Periodic Roll	DEPARTMENT OF LABOR - DISTRICT	\$959.45	N/A	1/5/2019	1	00000000	N/A
<input type="checkbox"/>	11/11/2018	12/8/2018	Periodic Roll		\$1,564.55	N/A	12/8/2018	1	00000000	N/A
<input type="checkbox"/>	11/11/2018	12/8/2018	Periodic Roll	DEPARTMENT OF LABOR - DISTRICT	\$959.45	N/A	12/8/2018	1	00000000	N/A
<input type="checkbox"/>	9/16/2018	10/13/2018	Periodic Roll		\$1,564.55	N/A	10/13/2018	1	00000000	N/A
<input type="checkbox"/>	9/16/2018	10/13/2018	Periodic Roll	DEPARTMENT OF LABOR - DISTRICT	\$959.45	N/A	10/13/2018	1	00000000	N/A
<input type="checkbox"/>	8/19/2018	9/15/2018	Periodic Roll		\$1,564.55	N/A	9/15/2018	1	00000000	N/A

Showing 1 to 10 of 204 entries

Previous 1 2 3 4 5 ... Next

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DEPARTMENT OF DEFENSE  
**DCPAS**  
 Defense Civilian Personnel Advisory Service

(18)

# DIUCS Compensation Screen Showing FERS Offset

UNCLASSIFIED

Case Notes

Case Files

Compensation

Liaison Savings

Light Duty

Medical

Return to Work

Tickler

Personnel

Assignments

## Compensation Listing

Show 10 entries

Search:

	From Date	To Date	Roll	Payee	Payment	Credit	Check Date	Pay	Check Number	Cancel
<input checked="" type="checkbox"/>	1/6/2019	2/2/2019	Periodic Roll		\$1,237.69	N/A	2/2/2019	1	00000000	N/A
<input checked="" type="checkbox"/>	1/6/2019	2/2/2019	Periodic Roll	DEPARTMENT OF LABOR - DISTRICT	\$986.31	N/A	2/2/2019	1	00000000	N/A

Record Count: N/A Payee: DEPARTMENT OF LABOR - DISTRICT

Relationship Code: FERS Offset Address Line 1: SSA OFFSET

Gross Amount: N/A Address Line 2:

Net Amount: \$986.31 City:

Health Benefits: N/A State:

HBI Code: N/A Zip:

Optional Life: N/A Check Number: 00000000

FEGLI Code: N/A Cancel Check: N/A

Basic Life: N/A Agency HBI Cost: N/A

Pay Rate: 753.73 Cash Receipt: 00000

Rate Type: N/A Tracer: N/A

Comp Rate: 06666

PR Expire Date: N/A

Type here to search

## How to tell if DOL has a FERS Offset is in place?

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- The Agency Query System (AQS) also shows similar data, but care must be exercised. ‘Drill down’ on the latest compensation payment. Look under “Misc. Deductions.” If it shows “-0.00,” there is no FERS Offset. If there are deductions, you will have to go back to where those deductions first began. That initial deduction may or may not state whether that deduction is for FERS Offset or for some other reason. However, sometimes the “Misc. Deductions” are not well-defined in AQS, and such deductions can be for things other than FERS Offset (i.e., “vision”). The best bet is to use DIUCS.

# AQS Showing Miscellaneous Deductions

<i>Compensation Formula</i>	Gross	HBI	BLI	OLI	PRBLI	Misc. Deductions	Attendant Allowance	Net
	\$2,524.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$959.45	+\$0.00	= \$1,564.55
<i>Comments</i>								
Periodic Roll Payment								
03/28/2019 10:21 AM								
Page 1 of 1								

## Claiming Savings due to FERS Offset reductions

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- Once the FERS Offset has been put into place by the OWCP, the responsibility for putting the savings into place in DIUCS rests with the Management Advisor.
- FERS Offset overpayments can occur when OWCP does not get the offset in place in a timely fashion, immediately after the claimant reaches minimum retirement age for Old Age SSA benefits or full retirement age for SSA disability benefits.

# DOL Documents

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## SAMPLE DOL LETTERS/FORMS

# DOL SSA Age Letter to Injured Employee

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File Number:  
SSA O-E

U.S. DEPARTMENT OF LABOR

OFFICE OF WORKERS' COMPENSATION PROGRAMS  
PO BOX 8300 DISTRICT \_\_\_\_\_  
LONDON, KY 40742-8300  
PHONE:

Month/Day 2019

Date of Injury:  
Employee:

Employee Name  
Employee Address

Dear \_\_\_\_\_:

Section 8116(d)(2) of The Federal Employees' Compensation Act (FECA) requires that a claimant's continuing compensation benefits be reduced if he or she begins receiving Social Security Administration (SSA) **retirement** benefits based upon his or her age and Federal service. Because our records indicate that you are approaching your 62nd birthday, the minimum age at which an individual is eligible to receive SSA retirement benefits, we are notifying you of this requirement.

It should be noted that failure to report receipt of such retirement benefits to the OWCP could result in an overpayment of compensation, which could be subject to recovery. Consequently, if you have been approved for SSA retirement benefits, or are currently receiving SSA retirement benefits, please contact your local district office immediately so that we may begin the process of making any necessary adjustments to your compensation benefits.

Sincerely,

Division of Federal Employees' Compensation

CC: Employing Agency



# DOL Transmittal Form

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## FERS SSA DUAL BENEFIT CALCULATION FAX TRANSMITTAL

O-E

US DEPT OF LABOR  
DFEC CENTRAL MAILROOM  
P.O. BOX 8300 - DISTRICT 3 PHI  
LONDON, KY 40742-8300

DATE:

FROM:

OFFICE OF WORKERS' COMPENSATION PROGRAMS

PHONE NUMBER: (267) 687-4160

FAX NUMBER: (267) 687-4155

INITIAL REQUEST:

TO:

SOCIAL SECURITY ADMINISTRATION

FAX NUMBER: 410-965-4648

RECOMPUTATION REQUEST: ☐

### THIS SIDE TO BE COMPLETED BY OWCP

Case #:

I. EMPLOYEE/ANNUITANT

NAME:

SSN:

DATE OF BIRTH:

FERS \$\$ Period

Computation Date(From – To)  
(Date FECA Benefits Payable)

### THIS SIDE TO BE COMPLETED BY SSA

Effective  
Date

SSA Rate  
w/ FERS

SSA Rate  
w/o FERS

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

I. REMARKS:

Name of Person Completing the Form for SSA: \_\_\_\_\_

Date Completed: \_\_\_\_\_

# DOL Letter to Injured Employee

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Employee:  
Claim # :  
Date of Injury:

Dear

It has recently been found that you have been receiving Social Security benefits under Title II of the Social Security Act on account of age since . The Social Security Administration has confirmed that a portion of your SSA benefits are attributed to your years of Federal service as an employee under the FERS retirement program. That portion of your SSA benefits attributed to your Federal service requires an offset of your FECA compensation benefits per applicable Federal regulations at 20 C.F.R. 10.421(d):

*“Pursuant to 5 U.S.C. 8116(d), a beneficiary may receive compensation under the FECA for either the death or disability of an employee concurrently with benefits under title II of the Social Security Act on account of the age or death of such employee. However, this provision of the FECA also requires OWCP to reduce the amount of any such compensation by the amount of any Social Security Act benefits that are attributable to the Federal service of the employee.”*

According to the Social Security Administration your current monthly benefit amount is \$ . However, the Social Security Administration has also determined that *if* your Federal service was *not* included in your social security computation, you would only be entitled to \$ . Therefore, your Federal service has increased your monthly social security payment by \$ . This difference of \$ is the portion of social security benefit amount attributed to Federal service and is the amount that must be offset against your compensation benefits.

Since social security benefits are paid monthly (12 payments per year), and compensation benefits are paid every 28 days (13 payments per year), the monthly offset amount of \$ must be adjusted to a 28 day payment cycle of \$ . Accordingly, the offset of your compensation payments in the amount of \$ will begin with your payment dated . Your new net compensation payment will be \$ .

Please note the offset amount will increase as you receive the annual increases in your social security benefits.

Sincerely,

Claims Examiner

Enclosure: Computation from SSA

# DOL SSA Offset Payment Sheet

U.S. Department of Labor  
District Office:

Employment Standards Administration  
Federal Employees' Compensation System  
Periodic Roll Payment

Run Date:

PAYMENT REPORT

<b>Employee Data</b>	Case Number:	DOB:	DOI:	Keyed Date:
	Employee:	Activity:	EXM:	
	SSN:	Cert Date:	Cert:	
	USPS Employee:	2nd Cert Date:	2nd Cert:	

<b>Compensation Information</b>	Pay Type: Disability	Compensation From:	To:
	Roll Type: Periodic	Check Date:	
	Weekly Pay Rate:	Compensation Rate:	
	Effective Pay Rate Date:	Gross Amount:	
	Pay Rate Date Type:	Attendant Allowance:	

<b>Health Benefits</b>	HBI Code:	HBI Premium: 0.00	Coverage Date:	Thru
	HBI Agency Cost: 0.00			

<b>Life Insurance</b>	BLI Premium: 0.00	BLI Coverage Date:	Thru
	OLI Code:	Coverage Amount: 0.00	OLI Premium: 0.00
	OLI Colverage Date:	Thru	
	PRBLI Benefits Reduction:	PRBLI Premium:	
	PRBLI Coverage Date:	Thru	

<b>Payee Information</b>	Name:	Relationship: Claimant
	Address:	
	Bank Routing #:	Account #: Account Type: S

<b>Compensation Formula</b>	Gross	HBI	BLI	OLI	PRBLI	Misc. Deductions	Attendant Allowance	CPI Adjustment	Net
	\$2,470.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$959.45	+\$0.00	+\$5.79	= \$1,516.34

**Comments** AS PER SSA REPLY, IN IMAGING AS OF 02/15/2018, FECA/FERS OFFSET REQUIRED. FISCAL PAYRATE MEMO SHOWING OFFSET AMOUNT IMAGED 02/20/18.

Periodic Roll Payment

Page 1 of 1

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# DOL Collection of Debt Letter

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File Number:  
Collection of Debt PR

U.S. DEPARTMENT OF LABOR

OFFICE OF WORKERS' COMPENSATION PROGRAMS  
PO BOX 8300 DISTRICT \_\_\_\_\_  
LONDON, KY 40742-8300  
PHONE:

Month/Day 2019

Date of Injury:  
Employee:

Employee Name  
Employee Address

Dear \_\_\_\_\_:

This letter is in further reference to the overpayment of compensation in the amount of \$3235.09 that was found in your case.

By letter dated 09/11/2018, you were advised that we will withhold the sum of \$100.00 from your continuing compensation. However, upon review of the file, it has come to our attention that this sum was not being withheld from your continuing compensation.

Therefore, in order to recoup the debt in a reasonable amount of time, we will withhold the sum of \$300.00 from your continuing compensation payments effective 01/06/2019. The Federal Employees' Compensation Act (FECA) provides that repayment at 25 percent of the net compensation is appropriate. Since your net compensation every 28 days amounts to \$1564.55, \$300.00 is within the allowable 25 percent.

If you have questions, please feel free to contact us at the above telephone number.

Sincerely,

Division of Federal Employees' Compensation

CC: Employing Agency

# DOL Termination of Debt Letter

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File Number:  
AdmTerm-O-OV

Memorandum to the File

Date

CLAIMANT:

FILE NUMBER:

SUBJECT: Administrative Termination of Debt Less than \$200 (FERS Offset)

An overpayment in the amount of \$33.11 has been identified in this case. The overpayment occurred because the offset required in the case was not applied in a timely manner. The claimant is receiving Federal Employees' Retirement System (FERS) benefit from the Social Security Administration (SSA) that is to be offset from their compensation benefits on a "dollar-for-dollar" basis. In December of 201\_\_ SSA applied a 1.7% cost-of-living increase to FERS benefits, so a 1.7% increase should have been applied to the offset of compensation benefits as well. However, the system update in iFECS was unsuccessful, so the increase to the offset was not applied. This resulted in the claimant receiving an overpayment of compensation due to the under-deduction for the FERS Offset. This occurred for exactly one year, for payments made from December 201\_\_ through November 201\_\_.

It is noted that there was no cost of living increase for FERS benefits in 201\_\_, so no increase to the offset is required. However, the December 201\_\_ increase was applied in December 201\_\_ to bring the claimant's current offset up to the correct amount.

The National Office under its own directive calculated and terminated any and all overpayments whereby the FERS offset overpayment was determined to be less than \$200.

Debt collection actions on overpayments of less than \$200 may be administratively terminated at any time after the overpayment has been identified, with no requirement to complete any of the "due process" actions described in Part 6 of the FECA Procedure Manual, if the cost of further collection action would exceed the recovery expected.

This overpayment is less than \$200.00 and did not result from either (1) refund due OWCP as a result of 3rd party settlement, or (2) election of OPM benefits where the debt can be recovered from the retroactive part of annuities held by OPM. Since collection action on the overpayment will exceed the expected recovery; therefore, collection action on the overpayment will be administratively terminated.

Chief, Branch Fiscal Operation

## References

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- FECA Bulletin No 97-09, “Dual Benefits – Deduction from FECA benefits of Social Security Benefits “Attributable to Federal Service” in FERS cases (issued February 3, 1997).